

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 01567 270943Z

15

ACTION EUR-12

INFO OCT-01 ISO-00 FCSC-01 EB-07 COME-00 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 L-03 SS-15 NSC-05 SSO-00

NSCE-00 INRE-00 FRB-03 SP-02 H-02 STR-04 /063 W

----- 071990

O 270912Z MAY 75 ZFF4

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC IMMEDIATE 3320

LIMITED OFFICIAL USE BUDAPEST 1567

E.O. 11652: N/A

TAGS: EFIN, HU

SUBJ: HUNGARIAN CLAIMS AGREEMENT ASSESSMENT

REF A: BUDAPEEST 1551

B: BUDAPEST 1445

C: BUDAPEST 1324

1. MFA PRESENTED NOTE TO EMBASSY MAY 23 RELATING TO
CURRENT HUNGARIAN PAYMENT ON CLAIMS AGREEMENT. TEXT OF
NOTE AS FOLLOWS:

2. BEGIN QUOTE: FROM THE LIST ATTACHED TO THE NOTE NO.
117 WHICH SPECIFIES THE HUNGARIAN EXPORT TO THE UNITED
STATES BY MAIN ITEMS IT COULD BE ESTABLISHED THAT THE
LARGE DISCREPANCY BETWEEN THE ROUND \$75.4 MILLION IMPORTS
FROM HUNGARY TO THE USA FIGURING IN THE "US DEPARTMENT OF
COMMERCE: FT 990 HIGHLIGHTS OF US EXPORT AND IMPORT TRADE"
AND THE \$26.6 MILLION SHOWN IN THE OFFICIAL HUNGARIAN
PUBLICATION AS EXPORTS TO THE USA IS CAUSED BY THE FIRST
ITEM OF THE ABOVE MENTIONED LIST."

3. THE HUNGARIAN PARTY DISAGREES WITH THE INCLUSION OF
THIS ITEM INTO THE HUNGARIAN EXPORT FOR SEVERAL REASONS:

A. THE STANDARD INTERNATIONAL TRADE CLASSIFICATION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 01567 270943Z

SHOWS UNDER 89605 THE COMMODITIES CLASSIFIED AS

"NATURALIST'S COLLECTIONS, COLLECTORS' PIECES OF NUMISMATIC INTEREST." OBVIOUSLY, UNDER THIS TITLE ONLY SUCH PIECES OF NUMISMATIC INTEREST CAN BE SHOWN, WHICH ARE MINTED OF METALS OTHER THAN GOLD OR SILVER. NAMELY, ACCORDING TO PAGE VII. OF THE SITC/SER.M.NO. 34, REVISED EDITION, 1961/ "SINCE THEIR MOVEMENT AFFECTS MONETARY RATHER THAN MATERIAL SOURCES, GOLD TOGETHER WITH CURRENCY AND TITLES OF OWNERSHIP AFTER THEIR ISSUE INTO CIRCULATION ARE EXCLUDED FROM THE STATISTICS/BUT ALL KINDS OF SILVER, EXCEPT OF SILVER COIN AFTER ITS ISSUE, ARE INCLUDED/."

B. ON THE OTHER HAND, IT IS NOT JUSTIFIED TO SHOW COINS MADE OF ANY METAL IN THE COMPILATION SINCE TO THE KNOWLEDGE OF THE HUNGARIAN PARTY THE FOREIGN TRADE IN COINS IS NOT INCLUDED INTO THE FOREIGN TRADE STATISTICS OF THE UNITED STATES OF AMERICA. ACCORDING TO CHAPTER II. OF "US DEPARTMENT TRADE OF COMMERCE GUIDE TO FOREIGN TRADE STATISTICS, 1972" /PAGE 2/ "THE STATISTICS EXCLUDE THE FOLLOWING: ISSUED MONETARY COINS OF ALL COMPONENT METALS:"

C. IF THE SUM OF \$50.6 MILLION UNDER ITEM 89605 COMPRISES -- AS IS ASSUMED -- GOLD COINS, THE ATTENTION WILL KINDLY BE CALLED REPEATEDLY TO THE FACT ALREADY MENTIONED IN THE NOTE NO. 2556/3/1975 FROM MAY 2ND, 1975 OF THE MINISTRY OF FOREIGN AFFAIRS OF THE HUNGARIAN PEOPLE'S REPUBLIC THAT NEITHER THE BASIC MATERIAL OF THE COINS, I.E., THE GOLD BULLION, RESP. THE PLANCHETS, NOR THE COINS THEMSELVES IN QUESTION HAVE EVER CONSTITUTED HUNGARIAN PROPERTY AND THUS THE HUNGARIAN PEOPLE'S REPUBLIC HAS HAD NO EXPORT RECEIPTS REGARDING THEIR GOLD VALUE EITHER FROM THE USA OR FROM ELSEWHERE. THIS IS PROVED AS WELL BY ARTICLE 7 OF THE RESPECTING CONTRACT. THE HUNGARIAN NATIONAL BANK IS READY TO RENDER POSSIBLE FOR OFFICIALS AUTHORIZED BY THE EMBASSY OF THE UNITED STATES OF AMERICA TO OBTAIN AN INSIGHT INTO IT. THE GOLD BULLION AND THE PLANCHETS USED FOR STAMPING THE COINS HAD NOT BEEN CAST AND MANUFACTURED IN HUNGARY, ONLY THE LAST PHASE OF THE WHOLE PROCESS, I.E., THE STAMPING ITSELF, TOOK PLACE IN THIS COUNTRY. FOR THIS ONLY A FEE HAS BEEN OBTAINED, WHICH REPRESENTED ABOUT 3 PERCENT OF THE VALUE OF THE COINS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUDAPE 01567 270943Z

4. THE MINISTRY OF FOREIGN AFFAIRS REQUESTS THE EMBASSY OF THE UNITED STATES OF AMERICA TO TAKE THE NECESSARY MEASURES FOR THE CORRECTION OF THE STATISTICAL DATA RECORDED IN THE ENCLOSURE OF THE EMBASSY'S NOTE NO. 117 OF MAY 12, 1975 IN ACCORDANCE WITH THE ABOVE EXPLANATION.

5. AN EARLY NOTIFICATION ON THIS SUBJECT WOULD BE
HIGHLY APPRECIATED." END OF NOTE.

6. COMMENT: IF MFA NOTE VARIES TO SOME DEGREE WITH
PRESENTATION ON SUBJECT GIVEN TO AMBASSADOR BY NATIONAL
BANK CHAIRMAN LASZLO (REFTEL A), ASSUME DISCREPANCIES
RESULT OF EITHER SHORTCOMINGS IN INTERPRETATION OF LASZLO'S
REMARKS OR FACT THAT LASZLO HIMSELF HAD NOT COMPLETELY
ABSORBED HIS BRIEFING MATERIALS.

7. EMBASSY REQUESTS DEPT GUIDANCE SOONEST TO ENABLE US
TO REPLY TO MFA ON OR BEFORE MAY 30.
MCAULIFFE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUDAPE01567
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750184-0600
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750514/aaaaamtt.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 A: BUDAPEEST 1551
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 04 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 JUN 2003 by ElyME>; APPROVED <14 OCT 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HUNGARIAN CLAIMS AGREEMENT ASSESSMENT
TAGS: EFIN, HU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006